

Message Text

SECRET

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ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 L-02 CIAE-00

INR-07 NSAE-00 PRS-01 SAM-01 AID-05 EB-07 OMB-01

TRSE-00 /060 W

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 3643

INFO AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY RANGOON

AMEMBASSY SINGAPORE

AMEMBASSY VIENTIANE

AMCONSUL CHIANG MAI

AMCONSUL SONGKHLA

AMCONSUL UDORN

SECDEF WASHDC

DIA WASHDC

CINCPAC HONOLULU

S E C R E T SECTION 1 OF 2 BANGKOK 7857

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, MARR, TH, US

SUBJ: THE UNRAVELING OF OUR POLITICAL/MILITARY ARRANGEMENTS IN
THAILAND

BEGIN SUMMARY: THE SKEIN OF OFTEN SECRET AGREEMENTS WE HAVE
WITH THE RTG RELATING TO OUR MILITARY PRESENCE HERE IS
COMING UNRAVELED BECAUSE OF THAI NATIONALISTIC SENTIMENT,
THAI POPULAR MISTRUST OF THE OLD MILITARY GOVERNMENTS THAT
CONCLUDED THE AGREEMENTS WITH US, AND A DEEP CONCERN OVER THE
EFFECTIVENESS OF THE U.S. MILITARY PRESENCE. ALREADY A
CASUALTY IS THE EXEMPTION FROM THAI REGISTRATION -- AND HENCE
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TAXATION -- OF DOD CONTRACTORS. DIPLOMATIC IMMUNITY FOR

CERTAIN CATEGORIES OF MILITARY PERSONNEL AND EXEMPTION OF THE USG AND ITS CONTRACTORS FROM THE NEW THAI LABOR LAW ARE IN DIRE JEOPARDY AND WILL ALMOST CERTAINLY BE CURTAILED OR LOST ENTIRELY. THE MILITARY COLLAPSE IN INDOCHINA CONTRIBUTES TO THIS STATE OF AFFAIRS. THE CLEAR MESSAGE IS THAT WE WILL HAVE TO "SETTLE OUT OF COURT" RATHER THAN TRY TO INVOKE SECRET OR ORAL AGREEMENTS WHEN POLITICALLY SENSITIVE CONFLICTS ARISE. END SUMMARY.

1. THE USG HAS FOR MANY YEARS ENJOYED EXTENSIVE WORKING ARRANGEMENTS WITH THE RTG PERTAINING TO OUR MILITARY AND INTELLIGENCE PRESENCE HERE, AND OUR OPERATIONS IN SUPPORT OF FRIENDLY GOVERNMENTS IN INDOCHINA. THIS SKEIN OF AGREEMENTS, WHICH WERE OFTEN SECRET AND IN MANY CASES ORAL, IS NOW BEGINNING TO COME UNRAVELED. THREE CONSPICUOUS EXAMPLES ILLUSTRATE THE FRAGILITY OF OUR WORKING AGREEMENTS.

2. REGISTRATION AND TAXATION OF CONTRACTORS: THE TAX EXEMPT U.S. INVITED CONTRACTORS ARE UNIQUE ENTITIES IN THE THAI BUSINESS COMMUNITY, AND THEIR CONTINUED, PRIVILEGED EXISTENCE IS USED BY THAI NATIONALISTS AS EVIDENCE THAT THAILAND IS A "VASSAL" OF THE U.S. FURTHERMORE, SINCE IN MANY CASES THAI CAN DO THE TYPE OF WORK THESE CONTRACTORS PERFORM, USING U.S. EMPLOYEES DEPRIVES THE THAI OF RELATIVELY WELL PAYING, STABLE JOBS WHICH WOULD ALSO PROVIDE AN OPPORTUNITY FOR TECHNICAL AND MANAGERIAL EXPERIENCE. FOR SEVERAL YEARS THE RTG HAS FELT THAT A JUSTIFICATION FOR TAX EXEMPT U.S. INVITED CONTRACTORS NO LONGER EXISTED AND HAS SOUGHT TO FORCE US TO USE THAI REGISTERED FIRMS, WITHOUT AGREEING TO EXEMPT THESE FIRMS FROM TAXATION. AFTER NUMEROUS STAYS OF EXECUTION ON THE REGISTRATION QUESTION, OUR TIME IS FINALLY RUNNING OUT. WE, WITH INFORMAL RTG APPROVAL, HAVE SELECTED THE OPTION OF HAVING U.S. MILITARY PERSONNEL AND USG DIRECT HIRE THAI EMPLOYEES PERFORM THE BASE MAINTENANCE AND TECHNICAL SUPPORT FUNCTIONS, BUT HAVE NOT YET RECEIVED WASHINGTON CONCURRENCE.

3. DIPLOMATIC IMMUNITY AND THE RAMASUN GATE INCIDENT: THE RAMASUN GATE INCIDENT RESULTING IN THAI ATTEMPTS TO ARRAIGN FOUR U.S. SOLDIERS IN A THAI COURT HAS CALLED INTO
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QUESTION THE DIPLOMATIC IMMUNITY WHICH THE U.S. MISSION HAS LONG CLAIMED FOR MILITARY PERSONNEL SERVING AT SENSITIVE INTELLIGENCE INSTALLATIONS. UNDER THE OLD MILITARY REGIME THE VAGUELY WORDED AGREEMENT ON DI USUALLY HELD UP, BUT EVEN THEN THERE WAS OCCASIONAL SLIPPAGE. NO RESPONSIBLE RTG CIVILIAN OR MILITARY OFFICIALS CURRENTLY WILLING OR LIKELY TO COME FORTH PUBLICLY IN OUR DEFENSE IN THIS MATTER BECAUSE OF THE NEW AND FREER POLITICAL

ATMOSPHERE HERE, AND THE EMERGENCE OF A MORE VIGOROUS
THAI NATIONALISM PARTICULARLY AMONG STUDENTS.

4. THE REACTION OF THE NEWLY ACTIVIST YOUTH TO THIS
INCIDENT ILLUSTRATES HOW THEY HAVE CARVED OUT A ROLE AS THE
ALLEGED CONSCIENCE OF THE COUNTRY. BY CONCENTRATING ON THE
BROADER ISSUES OF SOVEREIGN RIGHTS, THIS GROUP HAS IMMOBILIZED
THOSE GOVERNMENTAL LEADERS WHO MIGHT OTHERWISE COME TO OUR
SUPPORT. BY FOCUSING COUNTRYWIDE ATTENTION ON WHAT WAS A
RELATIVELY MINOR ALTERCATION, THESE ACTIVISTS HAVE MADE OUR
RAISING OF VALID LEGAL AGREEMENTS IMPOLITIC AND UNWORKABLE.

5. PART OF THE PROBLEM RELATES TO THE FACT THAT THE SARIT
THANARAT AND THANOM KITTIKHACHON MILITARY GOVERNMENTS
MADE MOST OF THESE ARRANGEMENTS WITH US IN SECRECY,
KNOWING FULL WELL THAT THAI PUBLIC OPINION EVEN AT THAT
TIME WOULD PROBABLY NOT SUPPORT THE GOVERNMENT ON THESE
ISSUES. WHAT HAS HAPPENED NOW IS THAT THE SECRECY CAN
NO LONGER BE MAINTAINED, AND THAI PUBLIC OPINION IS EVEN
LESS WILLING THAN IT WOULD THEN HAVE BEEN TO TOLERATE THE
TERMS OF THESE AGREEMENTS. IN ADDITION, ANY OFFICIAL
SANCTION FOR THESE AGREEMENTS WOULD TEND TO BE AN APOLOGY
FOR THE OLD REGIME, WHOSE CONDUCT IN OFFICE IS NOW
UNIVERSALLY REGARDED AS HAVING PLACED PERSONAL ENRICHMENT
ABOVE THAI NATIONAL CONSIDERATIONS.

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CINCPAC ALSO FOR POLAD

6. APPLICABILITY OF THE THAI LABOR LAW TO USG AND CONTRACTOR EMPLOYEES: BOTH LOCAL AND NATIONAL OFFICIALS OF THE THAI LABOR DEPARTMENT, IN RESPONSE TO POPULAR PRESSURE, HAVE EXPRESSED INTEREST IN THE PERSONNEL PRACTICES OF BOTH THE USG AGENCIES AND THEIR CONTRACTORS. A CASE INVOLVING SEVERAL BARTENDERS FORMERLY EMPLOYED AT THE UDORN BASE NCO CLUB HAS RAISED THE QUESTION OF WHETHER THE THAI LABOR DEPARTMENT HAS JURISDICTION OVER THE USG REGARDING TERMINATIONS FOR CAUSE. HERETOFORE, SUCH EMPLOYEES REFRAINED FROM SEEKING LEGAL HELP IN THESE MATTERS. NOW, HOWEVER, THEY ARE APPEALING TO THE THAI LABOR DEPARTMENT AND DISCUSSION OF ITS JURISDICTION

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MAY BECOME ANOTHER PUBLIC ISSUE INVOLVING ACCUSATIONS THAT WE HAVE FLOUTED THAI SOVEREIGNTY.

7. IN ANOTHER CASE, AN AMERICAN CITIZEN EMPLOYEE TERMINATED BY A DOD CONTRACTOR IS DEMANDING SEVERANCE PAY BENEFITS UNDER THAI LABOR LAW. OUR CLAIMS FOR EXEMPTION FROM THE PROVISIONS OF THIS LAW MAY HAVE TO GO TO COURT, A PROCESS WHICH CAN ONLY RESULT IN BAD PUBLICITY.

8. IMPLICATIONS FOR U.S. POLICY: THE CLEAR MESSAGE IS THAT ANY ORAL AGREEMENTS OR SECRET WRITTEN AGREEMENTS WHICH THE RTG MADE WITH US PRIOR TO OCTOBER 1973 MAY NO LONGER STAND UP WHEN WE TRY TO INVOKE THEM, REGARDLESS OF THEIR MERITS OR LEGALITY. WE MUST THEREFORE AVOID AS MUCH AS POSSIBLE ANY DIRECT CONFRONTATIONS, AND RECOGNIZE THAT WE WILL BE OPERATING HERE UNDER LESS AND LESS FAVORABLE CIRCUMSTANCES. OUR PRIVILEGES AND IMMUNITIES WILL BE COMING UNDER PARTICULAR FIRE. WE WILL NECESSARILY HAVE TO "SETTLE OUT OF COURT", AT HIGH COST, IN CERTAIN CASES. WHENEVER ANY POTENTIALLY TROUBLESOME ISSUE ARISES, WE SHOULD BE PREPARED TO SETTLE IT PROMPTLY AND NOT RISK ITS ESCALATION TO A NATIONAL POLITICAL ISSUE BY STANDING TOO RIGIDLY ON RIGHTS OR ON PRINCIPLE. THE

ALTERNATIVE COULD WELL BE TO CLOSE UP SHOP AND GET OUT.

9. RTG UNWILLINGNESS TO COME TO OUR DEFENSE IN ANY
CONFRONTATIONS OVER THESE VARIOUS SECRET AGREEMENTS DOES
NOT IMPLY THE IMMEDIATE TERMINATION OF MUTUAL COOPERATION
ON INTERNATIONAL SECURITY PROBLEMS. THE RTG'S STANCE
ON OUR DEALINGS WITH CAMBODIA, REGARDLESS OF PUBLIC
RELUCTANCE TO COMMIT ITSELF ON SUPPLYING AND THEN EVACUATING
THAT COUNTRY, INDICATES THAT BILATERAL MILITARY
COOPERATION IS NOT YET COMPLETELY AT AN END. WE SHOULD
NOT, HOWEVER, EXPECT MUCH OF THE THAI IN ANY CASE WHERE
DELICATE THAI NATIONAL POLITICAL INTERESTS MIGHT BE
AT STAKE, OR WHERE HYPERNATIONALISTIC PUBLIC PASSIONS THREATEN
TO PLAY A ROLE. THIS INCLUDES COOPERATION FROM THE THAI
MILITARY WHICH HAS ALREADY RUN FOR COVER IN SOME OF
THESE SENSITIVE CASES.
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